

Department of Banking and Financial Institutions

www.dbfi.dc.gov

Description	FY 2003 Approved	FY 2004 Proposed	% Change
Operating Budget	\$2,436,652	\$2,446,131	0.4

The mission of the Department of Banking and Financial Institutions (DBFI) is to provide regulatory and programmatic services for financial institutions and consumers to promote a fair and equitable business climate and to increase the availability of capital and credit to District consumers.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- For FY 2004:
 - The District will be increasingly recognized as a national and international financial center through:
 - Chartering at least one additional commercial and one international financial institution.
 - Accreditation certification by the Conference of State Banking Supervisors.
 - The department will submit appropriate legislation to amend the federal banking laws to change the District's backup federal regulator to the Federal Deposit Insurance Corporation from the Office of the Comptroller of the Currency.
 - District consumers will be protected from unfair and abusive practices by the department establishing a fair and equitable business arena through:

- Conducting 100 percent of targeted non-depository financial institutions annual examinations.
- Resolving 90 percent of complaints received within 45 days.
- By FY 2005, the department will positively impact the development and revitalization of

Did you know...

Telephone	(202) 727-1563
Number of financial institutions examined in FY 2002.	305
Amount recovered on behalf of District residents where financial abuse was determined.	\$236,301
Number of DBFI established Junior Super Savers Clubs in District elementary schools.	10
Number of implemented reinvestment programs to help promote and create community reinvestment opportunities.	2
Number of events and workshops to provide financial education to District residents.	123

Where the Money Comes From

Table BI0-1 shows the sources of funding for the Department of Banking and Financial Institutions

Table BI0-1

FY 2004 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change From FY 2003	Percent Change
Local Fund	0	-1	0	0	0	0.0
Special Purpose Revenue Fund	2,251	4,379	2,437	2,446	9	0.4
Total for General Fund	2,251	4,378	2,437	2,446	9	0.4
Gross Funds	2,251	4,378	2,437	2,446	9	0.4

How the Money is Allocated

Tables BI0-2 and 3 show the FY 2004 proposed budget for the agency at the Comptroller Source Group level (Object Class level) and FTEs by fund type.

Table BI0-2

FY 2004 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change from FY 2003	Percent Change
11 Regular Pay - Cont FullTime	699	1,159	771	726	-45	-5.8
12 Regular Pay - Other	294	0	750	869	120	15.9
13 Additional Gross Pay	45	4	0	0	0	0.0
14 Fringe Benefits - Curr Personnel	145	189	192	239	48	24.9
15 Overtime Pay	0	-4	0	0	0	0.0
Subtotal Personal Services (PS)	1,183	1,348	1,712	1,835	122	7.1
20 Supplies and Materials	3	50	43	25	-18	-42.0
31 Telephone, Telegraph, Telegram, Etc	14	30	16	32	16	98.3
32 Rentals - Land and Structures	267	265	278	271	-6	-2.2
40 Other Services and Charges	178	99	214	180	-34	-15.8
41 Contractual Services - Other	0	73	108	66	-42	-39.1
50 Subsidies and Transfers	574	2,493	0	0	0	0.0
70 Equipment & Equipment Rental	34	20	65	37	-28	-43.0
Subtotal Nonpersonal Services (NPS)	1,068	3,030	724	611	-113	-15.6
Total Proposed Operating Budget	2,251	4,378	2,437	2,446	9	0.4

Table B10-3

FY 2004 Full-Time Equivalent Employment Levels

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change from FY 2003	Percent Change
General Fund						
Special Purpose Revenue Fund	16	22	27	27	0	0.0
Total for General Fund	16	22	27	27	0	0.0
Total Proposed FTEs	16	22	27	27	0	0.0

housing and commercial corridors in underserved communities and emerging neighborhoods in the District through economic development opportunities and access to capital through creation of:

- A D.C. Capital Access Program to assist local banks in making loans for small minority and women-owned businesses.
- A \$10 million venture capital fund for business development.
- By FY 2006, the department will increase annually by 10 percent, the number of events conducted in a variety of settings such as school-based programs, financial workshops, fairs and forums to promote and provide financial educational opportunities to District residents.

Gross Funds

The proposed budget is \$2,446,131, representing an increase of 0.4 percent over the approved FY 2003 Gross Funds budget of \$2,436,652. There are 27 total FTEs for the agency, representing no change from FY 2003.

General Fund

Special Purpose Revenue Funds. The proposed budget is \$2,446,131, an increase of \$9,479 over the FY 2003 approved budget of \$2,436,652. There are 27 FTEs funded by Special Purpose sources, representing no change from FY 2003.

Changes from the FY 2003 approved budget are:

- An increase of \$9,479 to reflect fixed cost estimates provided by the Office of Finance

and Resource Management.

- An increase of \$122,358 in personal services to cover step and fringe benefit costs to fully fund all authorized FTEs. This amount is offset by a reduction of \$122,358 in nonpersonal services costs for travel, printing, contractual services and equipment.

Programs

The Department of Banking and Financial Institutions is committed to the following programs:

Financial Education and Outreach

	FY 2003*	FY 2004
Budget	\$135,537	\$135,537
FTEs	2	2

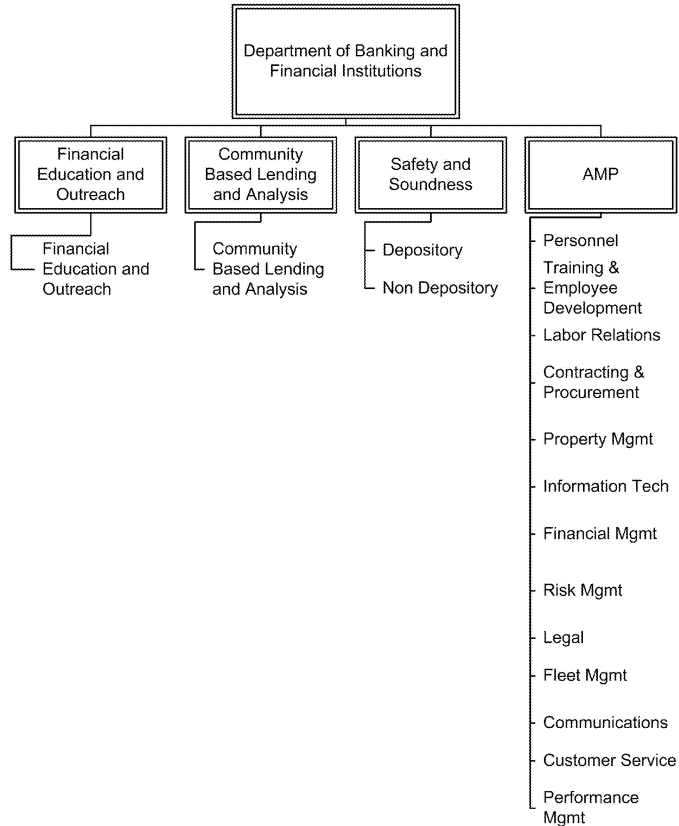
* FY 2003 program funding levels are presented for comparison purposes only. Program budgets did not exist for FY 2003 for this agency because the agency had not yet created its new program structure based on performance-based budgeting.

The Financial Education and Outreach program primarily supports the Citywide Strategic Priority area of *Building Sustainable Neighborhoods*. The purpose of the program is to provide financial education services and information about Department of Banking and Financial Institutions to residents of the District of Columbia so they can become better informed and competitive consumers of financial services and achieve financial independence. This program includes one activity of the same title and function.

The key initiative associated with the Financial Education and Outreach Program is:

Figure B10-1

Department of Banking and Financial Institutions



- Conduct financial literacy programs, workshops and forums in schools and other neighborhood settings on savings, consumer credit, home buying, predatory lending and other financial topics, in partnership with diverse community institutions.

For more detailed information regarding the proposed funding for the activities within this program please see schedule 30-PBB in the FY 2004 Operating Appendices volume.

Key Result Measures

Program 1: Financial Education and Outreach

Citywide Strategic Priority Area(s): Building Sustainable Neighborhoods

Manager(s): S. Kathryn Allen, Commissioner

Supervisor(s): S. Kathryn Allen, Commissioner

Measure 1.1: Percent of targeted District consumers receiving information/education

	Fiscal Year	
	2004	2005
Target	80	85
Actual	-	-

Measure 1.2: Percent of workshop participants reporting that workshop presentations will help them make more informed choices regarding financial services

	Fiscal Year	
	2004	2005
Target	80	85
Actual	-	-

Measure 1.3: Dollars of in-kind and donated resources secured (thousands)

	Fiscal Year	
	2004	2005
Target	75	100
Actual	-	-

Note: Measure 1.3 previously appeared as Measure 6.2.

Community Based Lending and Analysis

	FY 2003*	FY 2004
Budget	\$218,204	\$218,204
FTEs	3	3

* FY 2003 program funding levels are presented for comparison purposes only. Program budgets did not exist for FY 2003 for this agency because the agency had not yet created its new program structure based on performance-based budgeting.

The **Community Based Lending and Analysis** program primarily supports the Citywide Strategic Priority area of Promoting Economic Development. The purpose of the program is to provide community development strategies and capital access services to residents and businesses so they can have better access to financing for housing opportunities and business development. This program includes one activity of the same title and function.

The key initiative associated with the Community-Based Lending and Analysis Program is:

- Focus on encouraging financial institutions to participate in DBFI programs that expand housing opportunities for low-to-moderate income individuals.

For more detailed information regarding the proposed funding for the activities within this program please see schedule 30-PBB in the FY 2004 Operating Appendices volume.

Key Result Measures

Program 2: Community Based Lending and Analysis

Citywide Strategic Priority Area(s): Promoting Economic Development

Manager(s): Albert Elder, Deputy Commissioner

Supervisor(s): S. Kathryn Allen, Commissioner

Measure 2.1: Dollars provided through the DC Public Charter Schools Credit Enhancement Fund (millions)

	Fiscal Year	
	2004	2005
Target	5	5
Actual	-	-

Measure 2.2: Dollars provided through the venture capital fund (thousands)

	Fiscal Year	
	2004	2005
Target	750	750
Actual	-	-

Measure 2.3: Percent of financial institutions participating in a DBFI program to expand housing opportunities for low-to-moderate income individuals

	Fiscal Year	
	2004	2005
Target	25	33
Actual	-	-

Safety and Soundness

	FY 2003*	FY 2004
Budget	\$571,683	\$571,682
FTEs	10	10

* FY 2003 program funding levels are presented for comparison purposes only. Program budgets did not exist for FY 2003 for this agency because the agency had not yet created its new program structure based on performance-based budgeting.

The **Safety and Soundness** program primarily supports the Citywide Strategic Priority area of Making Government Work. The purpose of the program is to provide licensing, examination and enforcement services to District non-depository financial institutions so they can provide expanded and equitable financial services to consumers and comply with applicable District law and regulations. Key activities of the program include:

Depository – This activity provides chartering, examination and enforcement services to District depository financial institutions so they can provide expanded and equitable financial services to consumers and comply with applicable District law and regulations.

Non-Depository – This activity provides licensing, examination and enforcement services to District non-depository financial institutions so they can provide expanded and equitable financial services to consumers and comply with applicable District law and regulations.

Key initiatives associated with the Safety and Soundness Program are:

- Target non-depository institutions for annual examinations.
- Capture dollars on behalf of District residents as a result of enforcement actions.

For more detailed information regarding the proposed funding for the activities within this program please see schedule 30-PBB in the FY 2004 Operating Appendices volume.

Key Result Measures

Program 3: Safety and Soundness

Citywide Strategic Priority Area(s): Strengthening Children, Youth, Families, and Elders

Manager(s): Albert Elder, Deputy Commissioner

Supervisor(s): S. Kathryn Allen, Commissioner

Measure 3.1: Percent of targeted non-depository institutions examined annually

	Fiscal Year	
	2004	2005
Target	100	100
Actual	-	-

Measure 3.2: Percent of depository institutions receiving an examination rating

	Fiscal Year	
	2004	2005
Target	100	100
Actual	-	-

Measure 3.3: Dollars captured on behalf of District residents as result of enforcement actions

	Fiscal Year	
	2004	2005
Target	5000	5000
Actual	-	-

Agency Management

	FY 2003*	FY 2004
Budget	\$1,511,228	\$1,520,708
FTEs	13	13

* FY 2003 program funding levels are presented for comparison purposes only. Program budgets did not exist for FY 2003 for this agency because the agency had not yet created its new program structure based on performance-based budgeting.

The purpose of the **Agency Management** Program is to provide the operational support to the agency so they have the necessary tools to achieve operational and programmatic results. This program is standard for all Performance-Based Budgeting agencies. More information about the Agency Management program can be found in the Strategic Budgeting chapter.”

For more detailed information regarding the proposed funding for the activities within this program please see schedule 30-PBB in the FY 2004 Operating Appendices volume.

Key Result Measures

Program 4: Agency Management

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): S. Kathryn Allen, Commissioner

Supervisor(s): S. Kathryn Allen, Commissioner

Measure 4.1: Percent of DBFI'S activities with long-range IT plans

	Fiscal Year	
	2004	2005
Target	95	95
Actual	-	-

Measure 4.2: Percent variance of estimate to actual expenditure (over/under)

	Fiscal Year	
	2004	2005
Target	5	5
Actual	-	-

Measure 4.3: Percent reduction of employee lost work-day injury cases agency-wide as compared to FY 2003 baseline data (baseline data will be compiled during the fiscal year)

	Fiscal Year	
	2004	2005
Target	-10	-10
Actual	-	-

Measure 4.4: Rating of 4-5 on all four telephone service quality criteria: 1) Courtesy, 2) Knowledge, 3) Etiquette and 4) Overall Impression

	Fiscal Year	
	2004	2005
Target	4	4
Actual	-	-

Measure 4.5: Percent of Key Result Measures achieved

	Fiscal Year	
	2004	2005
Target	70	70
Actual	-	-